

Background

Budget

The Sierra Nevada Conservancy's base budget consists of funding from the California Environmental License Plate Fund. Commencing with the 2007-08 fiscal year, funding for the implementation of the Conservancy's programs is also provided from Proposition 84 bond funds. Proposition 84 allocates \$54 million to the Conservancy, \$17 million of which was appropriated in the 2007 Budget Act for local assistance grants, and \$500,000 to fund five positions and related expenses. At its December Board meeting, the Board approved \$2.8 million to fund various Proposition 84 projects.

Operating expenditures for the current year are generally under budget projections, due primarily to some delay in staff hiring during the fiscal year. The Conservancy has expended \$1.6 million—or 37 percent—of its \$4.5 million operating budget through January of this year. The rate of expenditure will increase during the remainder of the fiscal year due to full staffing and large one-time project costs. However, it is anticipated that there will be a reversion of some funds to the Environmental License Plate Fund (the source of SNC's base budget).

Expenditures of Proposition 84 funds are proceeding as budgeted and it is staff's intent to avoid the need for reappropriation of Proposition 84 funds from the current fiscal year.

A detailed summary of expenditures will be provided prior to the Board meeting.

Staffing

The SNC is nearly fully staffed at this time. We continue to use part-time Legal Counsel and we are currently exploring the possibility of a full-time position for legal services. We will also continue to use retired annuitants, consultants and interagency agreements to meet specialized needs.

Current Status

Budget

The Governor's Budget for 2008-09 proposes roughly the current level of funding, including another \$17 million from Proposition 84 for local assistance grants. In an effort to deal with the State's significant General Fund shortfall, the Governor issued Executive Order S-01-08, declaring a fiscal emergency and calling for serious fiscal constraints on State General Fund agencies. At this time, the SNC is not directly affected by the Executive Order as we do not receive any General Fund support. However, future actions dealing with the state's budget crisis could have an impact on us and we are preparing plans in the event this occurs. In the meantime, we will continue to be diligent in expending our budgeted funds.

Staffing

Two positions in the Mariposa Office are currently being filled by contract employees. The SNC is currently initiating the process that will lead to permanent state employees in those positions. As mentioned above, we will continue to explore options for meeting legal services.

Recommendation

No action by the Board is needed at this time. Staff will keep the Board updated on any budget developments.